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United States Department Of Agriculture AGRICULTURAL MARKETING SERVICE COTTON DIVISION

SERVICE AND REGULATORY ANNOUNCEMENT NO. A.M.S. 173

REGULATIONS OF THE DEPARTMENT OF AGRICULTURE FOR COTTON CLASSIFICATION AND MARKET NEWS SERVICES FOR ORGANIZED GROUPS: OF PRODUCERS

(Title 7, Ch. I, Pt. 28, Sections 28.901-28.919 of the Code of Federal Regulations)

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DEFINITIONS

Sec. 28.901 <u>Definitions</u>. When used in the regulations in this subpart:

(a) "Act" means the applicable provisions of the act of Congress of March 3, 1927 (44 Stat. 1372), as amended by the Act of Congress of April 13, 1937 (50 Stat. 62) (7 U.S.C. 471-476), and the United States Cotton Standards Act, as amended (42 Stat. 1517; 7 U.S.C. 51 et. seq.).

(b) "Service" means the Agricultural Marketing Service of the United States Department of Agriculture.

(c) "Administrator" means the Administrator of the Agricultural Marketing Service, or any officer or employee of the Service, to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(d) "Division" means the Cotton Division of the Agricultural Marketing Service.

(e) "Director" means the Director of the Cotton Division, or any officer or employee of the Division to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

ADMINISTRATION

Sec. 28.902 <u>Director</u>. The Director shall perform for and under the supervision of the Administrator, such duties as the Administrator may require in enforcing the regulations in this subpart.

CLASSIFICATION AND MARKET NEWS SERVICES

Sec. 28.903 Classification of samples. The Director, or his authorized representatives, upon request in writing from any group of producers organized to promote the improvement of cotton who comply with the regulations in this subpart shall, as hereinafter provided, furnish to such producers without charge the classification in accordance with the official cotton standards of the United States of samples representing the cotton produced by them. It appearing that funds appropriated for the administration of the act may at times be insufficient to provide for the classification of all of the cotton grown by members of such groups, the Director may, when necessary, direct that only samples representing that portion of members' cotton produced from seed of an adopted variety, or from seed replanted on land first planted during any growing season to seed of such adopted variety, shall be eligible for classification under the regulations in this subpart; and, in any event, such classification may be limited to samples representing cotton produced by members whose cotton acreage for any growing season is first planted in whole or in part to seed of an adopted variety.

Sec. 28,904 Market news. The Director shall cause to be distributed to groups of producers organized to promote the improvement of cotton who comply with the regulations in this subpart, and to others on request, for posting at gins, in post offices, or other public or conspicuous places in cotton growing communities, timely information on prices for various grades and staple lengths

of cotton.

ORGANIZED GROUPS

Sec. 28.905 Organized groups. Groups of producers organized to promote the improvement of cotton may be recognized as such within the meaning of the act if they meet the following requirements:

(a) Such an organization may be an unincorporated association or

it may be incorporated.

(b) The cotton fields of members of an organized group shall be located within the area generally recognized by the group as its community and any fields of members in which planting seed of the adopted variety and strain is produced shall be so located as to prevent or minimize cross pollination with other varieties or strains. The seed planted pursuant to the crop improvement program of any group shall be of such variety and seed stock of proven merit as shall have been agreed upon by the group, and the cotton produced shall be ginned in such a manner as to prevent the mixing of the seed or lint of an adopted variety with the seed or lint of other varieties or strains. Provisions shall be made by the group for the procurement, production, and economical distribution of approved planting seed of the adopted variety and strain for use by members of the group.

(c) Each organized group shall assume responsibility for obtaining, identifying, and shipping samples to be classified and for posting market information furnished to it in accordance with the regulations in this subpart; shall see that samples are drawn, handled, and shipped in accordance with instructions furnished from time to time by representatives of the Director; and shall designate a responsible representative and an alternate representative to act for members of the group in matters pertaining

to compliance with the regulations in this subpart. Such representative or alternate representative need not be a producer or a member of the group.

SAMPLING

Sec. 28.906 Approval and bonding of samplers. The cotton of members of organized groups may be sampled at a cotton gin, or at a warehouse which issues negotiable warehouse receipts. Sampling agents at these sampling locations are subject to the approval of the Director or his representatives. Each sampling agent, other than an approved warehouse sampler or an employee of the Department of Agriculture, serving one or more cotton gins shall, as a condition for approval, execute and file with the Division a good and sufficient bond to the United States to secure the faithful performance of his duties as a sampler under the terms of the act and this subpart. Said bond shall be in such form and amount and shall have such surety or sureties as shall be approved by the Service: Provided, That said bond shall be in an amount not less than \$1,000 for each gin serviced less than five, and not less than \$5,000 for five or more gins serviced: Provided further, That such surety or sureties shall be subject to service of process in suits on the bond within the State, district, or territory in which such sampler shall perform services under the act and this subpart.

Sec. 28.907 Responsibilities of sampling agents. Each sampling agent shall be primarily responsible for drawing, identifying, handling, and shipping samples of cotton in accordance with this subpart and with instructions furnished by the Director or his repre-

sentatives from time to time.

Sec. 28.908 Samples--(a) Only one sample to be submitted. Only one sample from each bale of eligible cotton shall be submitted for classification under this subpart. This does not prohibit the submission of an additional sample from a bale for review classification on a fee basis if the producer so desires.

(b) Drawing of samples manually. Each cut sample shall be drawn from the bale after it is tied out following the ginning process, and shall be approximately 6 ounces in weight, not less than 3 ounces of which are to be drawn from each side of the bale.

(c) Mechanical sampling. Samples may be drawn in gins equipped with mechanical samplers approved by the Division. Such samples shall be not less than 6 ounces in weight.

(d) Samples must be representative. Each sample must be repre-

sentative of the bale from which drawn.

(e) <u>Handling samples</u>. Samples shall not be dressed or trimmed and shall be carefully handled in such manner as not to cause loss of leaf, sand, or other material, or otherwise change their representative character. Samples shall not be handled by any person other than the sampling agent prior to shipment or delivery to the cotton classing office of the Division.

(f) Identifying and shipping samples. Each sample shall be identified with a tag, supplied or approved by the Division, bearing the gin or warehouse number of the bale from which the sample was drawn and the name and address of the producer of the bale. The tag shall be placed between the two halves of the sample, the sample tightly rolled and enclosed in a package or bag for shipment. Each package or bag shall be labeled or marked with the name and

address of the sampling agent for the organized group. The packages shall be shipped or delivered direct to the cotton classing office serving the territory in which the cotton is ginned.

Sec. 28.909 <u>Costs</u>. Costs incident to sampling, tagging, and identification of samples and transporting samples to points of shipment shall be without expense to the Government, but tags and containers for the shipment of samples may be furnished and shipping charges by common carriers paid by the Service. After classification the samples shall become the property of the Government.

CLASSIFICATION

Sec. 28.910 Classification of samples. The samples submitted as provided in this subpart shall be classified by employees of the Division and a classification memorandum showing the grade and staple length of each sample according to the official cotton standards of the United States will be mailed or made available to the producer whose name appears on the tag accompanying the sample, or to a representative designated by the producer or the organized group to receive the classification memorandum.

APPLICATIONS

Sec. 28.911 Application forms. Applications shall be made on

forms furnished or approved by the Division.

Sec. 28.912 Contents of application. Each such application shall include (a) the date; (b) the name and location of the organized group; (c) the name and address of each member of the group and the name of the variety adopted by the group; (d) a statement that the designated variety adopted by the group has been agreed upon by a majority of the members; (e) a statement that the group is organized for the purpose of promoting the improvement of cotton; (f) copies of the organization papers of the group, such as articles of association and bylaws, and copies of ginners' agreements and other documents relating to cotton improvement by members of the group; (g) the names, titles, and post office addresses of the representative and alternate representative designated to act for the group; (h) a statement as to the estimated total number of acres of the adopted variety and the estimated total acreage of other varieties to be grown during the year; (i) a statement with regard to the arrangements that have been made for posting market information; (j) a statement with regard to the arrangements for procuring and distributing planting seed; (k) other information that may be required by the Director; (1) a statement that the group agrees to comply with the act and the regulations in this subpart; and (m) the signature of an authorized official or leader of the group. It shall be further required that each application be accompanied by a recommendation for approval or disapproval from (n) the cooperating state extension service or other state agency, or (o) from a committee designated for the purpose. In making each such recommendation, consideration should be given, among other things, to the status of the organization of the group; the extent of isolation of the group members' fields on which seed stocks are produced; the adaptability of the variety and the quality of the seed stocks; the completeness of the arrangements for the ginning of the cotton so as to promote cotton improvement; and the adequacy of the arrangements for the procurement and distribution of planting seed. In arriving at a decision with respect to the final approval or disapproval of any application, approving officers of the Division shall give due consideration to the recommendation of the Extension Service, other state agency or designated committee.

Sec. 28.913 <u>Time limitation</u>. Application shall be filed with an authorized representative of the Division or mailed to such representative within a period of time to be announced by the Division for the receipt of applications for services during the year to which such application relates. To receive consideration, any such application submitted by mail shall have been postmarked before midnight of the last day of such announced period.

Sec. 28.914 Rejection. Applications may be rejected for non-compliance with the act or the regulations in this subpart, or when funds or facilities are not available to provide the services re-

quested.

Sec. 28.915 Authority. Proof of authority of any person to make application on behalf of an organized group may be required. Sec. 28.916 Withdrawal. An organized group may withdraw

its application at any time.

Sec. 28.917 Renewal. Applications shall be subject to renewal from year to year in accordance with a procedure to be prescribed by the Director or his authorized representatives.

Sec. 28.918 Expenses. Any expense involved in the preparation and filing of applications and requests for renewal shall be paid by the applicants.

LIMITATION OF SERVICES

Sec. 28.919 <u>Limitation</u> of services. The Director, or his authorized representatives, may suspend, terminate, or withhold cotton classing and market news services to any organized group upon its request, or upon its failure to comply with the act or these regulations, or when funds or facilities are insufficient to provide or continue such services.

TEXT OF THE SMITH - DOXEY AMENDMENT

(Public Law No. 28--75th Congress, approved April 13, 1937, 50 Stat. 62; 7 U.S.C. 473 a, b, and c)

An Act authorizing the Secretary of Agriculture to provide for the classification of cotton, to furnish information on market supply, demand, location, condition, and market prices for cotton, and for other purposes.

Sec. 473a. Classification of cotton on request of producer. The Secretary of Agriculture, upon request in writing from any group of producers organized to promote the improvement of cotton who comply with such regulations as he may prescribe, is authorized and directed to determine and to make promptly available to such producers, the classification, in accordance with the official cotton standards of the United States, of any cotton produced by them. The Secretary of Agriculture is further authorized to pay the transportation charges and to furnish tags and containers for the samples of cotton submitted for classification under this section, and all samples of cotton so classified shall become the property of the Government, and the proceeds of any sales thereof after

classification shall be covered into the Treasury of the United

States as miscellaneous receipts.

Sec. 473b. Market supply, demand, condition and prices; collection and publication of information. The Secretary of Agriculture is also authorized and directed to collect, authenticate, publish, and distribute, by telegraph, radio, mail, or otherwise, timely information on the market supply, demand, location, condition, and market prices for cotton, and to cause to be prepared regularly and distributed for posting at gins, in post offices, or in other public or conspicuous places in cotton-growing communities, information on prices for the various grades and staple lengths of cotton.

Sec. 473c. Rules and regulations. The Secretary of Agriculture is further authorized to make such rules and regulations as he may deem necessary to effectuate the purposes of this Chapter.

PENALTY PROVISION OF U. S. COTTON STANDARDS ACT, AS AMENDED (42 STAT. 1517; 7 U.S.C. 51 ET SEQ.) APPLICABLE TO SMITH-DOXEY REGULATIONS

Sec. 9. That (a) any person who shall knowingly violate any provision of section 2 or 8 of this act, or (b) any person licensed under this act who, for the purposes of or in connection with any transaction or shipment in commerce, shall knowingly classify cotton improperly, or shall knowingly falsify or forge any certificate of classification, or shall accept money or other consideration, either directly or indirectly, for any neglect or improper performance of duty as such licensee, or (c) any person who shall knowingly influence improperly or attempt to influence improperly any person licensed under this act in the performance of his duties as such licensee relating to any transaction or shipment in commerce, or (d) any person who shall forcibly assault, resist, impede, or interfere with or influence improperly or attempt to influence improperly any person employed under this act in the performance of his duties, shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be fined not exceeding \$1,000, or imprisonment not exceeding six months, or both, in the discretion of the court.



